

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER COMPANY	DOCKET NOS. TF-00-190 TF-00-191 (EEP-94-40, ECR-96-1)
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**ORDER APPROVING TARIFFS AND REFUNDS, GRANTING
WAIVER, AND REQUIRING REPORT**

(Issued August 17, 2000)

Rule 199 IAC 35.12 allows utilities to recover previously-approved energy efficiency costs, deferred energy efficiency costs, and estimated contemporaneous energy efficiency expenditures through an annual adjustment. On July 19, 2000, Interstate Power Company (Interstate) filed with the Utilities Board (Board) proposed tariffs, identified as TF-00-190 and TF-00-191, concerning its electric and gas energy efficiency cost recovery factors. Interstate requested the proposed tariffs become effective on September 6, 2000. No objections to the proposed tariffs have been filed.

The proposed tariffs include refunds via bill credit for overcollections of energy efficiency expenditures for the period August 1999 to July 2000. The proposed tariffs refund \$444,774 to Interstate's gas customers and \$2,139,134 to Interstate's electric customers. In addition, the proposed electric tariff includes refunding to customers a

\$281,649 cost disallowance ordered by the Board in its June 28, 2000, final decision in Docket No. EEP-94-40.

The Board has reviewed the proposed tariffs and will approve them. Interstate's calculations appear to be in compliance with 199 IAC 35.12 and the Board's June 28, 2000, order. The Board notes that its review pursuant to the rule is limited to determining that the cost recovery factors are calculated correctly. A disallowance of costs can occur only after a prudence review. The Board intends to conduct a prudence review in 2001 for Interstate's 1999 and 2000 energy efficiency expenditures. The recent prudence review that concluded with the Board's June 28, 2000, order was for the years 1996, 1997, and 1998.

Rule 199 IAC 35.12(2) requires utilities to file their proposed automatic adjustment by March 1 of each year for the 12-month period beginning at the start of the first billing month at least 30 days after the Board's approval of the filing. Because of the pending prudence review proceeding in Docket No. EEP-94-40, Interstate did not file on March 1 and the Board on its own motion will waive the rule.

The refunds, which are included in the tariffs, will also be approved. Interstate will be required to file a refund report within 60 days of completion of the refunds.

IT IS THEREFORE ORDERED:

1. Tariff filings TF-00-190 and TF-00-191 are approved, effective September 6, 2000, subject to complaint or investigation. The refunds included in the tariff filings are also approved.

2. Interstate shall file a refund report within 60 days following completion of the refunds.

3. The Board on its own motion waives, to the extent discussed in this order, 199 IAC 35.12.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 17th day of August, 2000.